

BEFORE THE
Federal Communications Commission
WASHINGTON, DC 20554

In the Matters of)	
)	
Procedures for Assessment and Collection of Regulatory Fees)	MD Docket No. 12-201
)	
Assessment and Collection of Regulatory Fees for Fiscal Year 2013)	MD Docket No. 13-140
)	
Assessment and Collection of Regulatory Fees for Fiscal Year 2008)	MD Docket No. 08-65
)	

To: Marlene H. Dortch, Secretary

**JOINT REPLY COMMENTS OF ARKANSAS BROADCASTERS
ASSOCIATION AND CHRISTIAN BROADCASTING SYSTEM, LTD.**

Arkansas Broadcasters Association ("ABA") and Christian Broadcasting System, Ltd. ("CBS") (collectively, "Joint Commenters"), by their counsel and pursuant to Sections 1.415 and 1.419 of the Commission's rules, hereby respectfully submit their reply comments in the above-captioned rulemaking proceeding. Joint Commenters state as follows:

1. Like the National Association of Broadcasters (the "NAB"), which filed comments herein on June 19, 2013,¹ Joint Commenters are extremely concerned that application in 2013 of the Commission's alternative proposal to re-adjust historical rates will dramatically inflate the fees to be paid by broadcasters immediately. Under the alternative proposal, the FCC would massively re-adjust the allocation of the amount the FCC must collect based on the number of full-time FCC employees ("FTEs"). The proposal would decrease fees imposed on regulatory activities associated strictly with the International Bureau, the beneficiaries of which are primarily large, wealthy companies, but, because the FCC is required to collect a fixed

¹ Joint Commenters fully support the position taken by NAB in its comments.

annual amount, that decrease would necessarily increase proportionately the fees paid *inter alia*, by broadcasters, many of whom are small, financially challenged "mom and pop" businesses.

2. While this "re-adjustment" would be capped at 7.5%,² that provides little solace, *e.g.*, to small market or AM broadcasters. In markets across the country, they are dealing with declining revenues, increased competition, and skyrocketing overhead costs, such as equipment, utility bills, personnel salary and benefit costs, automation and digitalization expenses, land acquisition and tower rental expenses, and programming and marketing costs. Due to these factors, the alternative proposal would cause "unexpected substantial increases which could severely impact the well-being of these licensees." *Notice* at 30. A 7.5% increase in regulatory fees in this environment will cause irreparable injury to many broadcasters, and will be fatal to others.³

3. As NAB also observes, a fee re-adjustment that focuses solely on the International Bureau ignores the reality that Media Bureau FTEs also regulate licensees other than broadcasters, such as licensees involved in spectrum issues and wireless-related issues, as well as the incentive auction, program access, and retransmission consent complaints. Ignoring this diverse functional responsibility, while honing in on overlaps solely in the International Bureau, would be arbitrary, capricious and inequitable.

4. Further, as NAB also submits, increases imposed on broadcasters, and not on other licensees, fail to take into account the critical reality that broadcasters--unlike cable and

² A 7.5% increase in one year is a daunting hike. Compare the Social Security Administration's 2013 Adjustment for Social Security and Supplemental Security Income (SSI), 1.7%. See www.ssa.gov/cola. Inflation in the United States is generally thought to be running at 1.5% to 2% annually.

³ Under the FCC alternative proposal, broadcasters would pay 33.33 percent of all regulatory fees, a whopping increase of over 10%. This percentage is so excessive as to be confiscatory.

satellite television operators -- "cannot simply pass through regulatory fees increases as a line item on consumers' bills." (At 5.) As the General Accounting Office concluded last year, any regulatory fee increases would come directly out of a broadcaster's hide; they would hit his bottom line without any ability to pass them through to customers.

5. Accordingly, Joint Commenters strongly urge the Commission to maintain its current historical allocations at the very least for purposes of calculating 2013 fees. Moreover, before it institutes the huge fees increases contemplated by the alternative proposal on the segment of the communications industry that can least afford them, the FCC should engage in the comprehensive, across-the-board FTE analysis that NAB espouses. Then, the results of that analysis should be put out for comment and carefully and deliberately evaluated.

Respectfully submitted,
ARKANSAS BROADCASTERS ASSOCIATION
CHRISTIAN BROADCASTING SYSTEM, LTD.



Date: June 26, 2013

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CERTIFICATE OF SERVICE

I, Evelyn Ojea, a secretary of Fletcher, Heald & Hildreth, PLC, hereby certify that a true and correct copy of the foregoing "Joint Comments of Arkansas Broadcasters Association and Christian Broadcasting System, LTD," was sent via First Class United States mail, postage pre-paid, or as otherwise specified, to the following:

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